

SENATE BILL NO. 6
INTRODUCED BY D. RYAN

A BILL FOR AN ACT ENTITLED: "AN ACT REQUIRING A REDUCTION IN CURRENT YEAR DIRECT STATE AID FOR A SCHOOL DISTRICT THAT SPENT LESS THAN ITS BASE BUDGET IN THE PREVIOUS YEAR; PROVIDING THAT THE REDUCTION IN DIRECT STATE AID MUST BE EQUIVALENT TO THE DIFFERENCE BETWEEN THE DISTRICT'S PRIOR YEAR BASE BUDGET AND ITS PRIOR YEAR GENERAL FUND EXPENDITURES; AND PROVIDING AN EFFECTIVE DATE AND AN APPLICABILITY DATE."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

NEW SECTION. **Section 1. Direct state aid reduction.** For a school district that spent less than its BASE budget in the previous year, the district's direct state aid for the current year must be reduced by an amount equal to the difference between the district's prior year BASE budget and its prior year general fund expenditures.

NEW SECTION. **Section 2. Codification instruction.** [Section 1] is intended to be codified as an integral part of Title 20, chapter 9, part 3, and the provisions of Title 20, chapter 9, part 3, apply to [section 1].

NEW SECTION. **Section 3. Effective date -- applicability.** [This act] is effective July 1, 2003, and applies to the school fiscal year beginning on or after July 1, 2003.

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